



# Los Angeles Grand Avenue Authority



## **Board of Directors**

Hon. Gloria Molina, Chair  
Hon. Jan Perry, Vice Chair  
William T Fujioka, Secretary  
Cecilia V. Estolano  
Dale Bonner, Ex Officio

## **JANUARY 12, 2009 MINUTES**

The twenty-seventh meeting of the Los Angeles Grand Avenue Authority was held January 12, 2009, at the Kenneth Hahn Hall of Administration, Room 374-A, 500 West Temple Street, Los Angeles, CA.

## **CALL TO ORDER**

Chairperson Gloria Molina called the meeting to order at 10:05 a.m. The following Directors were present constituting a quorum of the JPA Board:

Gloria Molina, First District Supervisor, County of Los Angeles  
Honorable Jan Perry, Ninth District Councilmember, City of Los Angeles  
William T Fujioka, Chief Executive Officer, County of Los Angeles  
Cecilia V. Estolano, Chief Executive Officer, Community Redevelopment Agency  
Dale Bonner, Ex-Officio

## **APPROVAL OF THE OCTOBER 27, 2008 MINUTES**

On motion of Vice Chair Perry, seconded by Director Fujioka and unanimously carried, the JPA Board approved the October 27, 2008 minutes as submitted.

## **GRAND AVENUE PROJECT STATUS REPORT – NELSON RISING, BILL WITTE, STEVE EIMER**

Nelson Rising, Chair, Grand Avenue Committee, informed the JPA Board that since the October 27, 2008 meeting the Developer has continued to meet the milestone guidelines required of them. The 80% Final Construction Drawings that were set to be submitted on December 15, 2008, were submitted ahead of schedule on December 4, 2008, and as per the agreement, monthly reports have been submitted on their overall progress. As allowed by the extension agreement, the amount of the Letter of Credit has been reduced when evidence is shown that payments have been made to the many firms and companies currently working to complete design of the project.

Since the last meeting, the Developer has submitted evidence of payments made and requested further reductions to the Letter of Credit. On November 13, 2008, after review of documentation for October expenses, an authorization to reduce the Letter of Credit by \$1.8 million was granted. An additional reduction was made for just over \$4.1 million on

January 6, 2009, for November and December expenses, leaving a Letter of Credit balance at approximately \$14.8 million.

Steve Eimer, The Related Companies, reported that regarding the Park Design, a schematic design by Mark Rios and his firm was completed, and a cost-estimating firm was contracted with to develop an overall cost-estimate on the planned park. The cost-estimate is nearing completion, and Related included Mark Rios and Ms. Welborne in discussions with the cost-estimator. Once complete, key stakeholders will be included in a final review. Thereafter, more specific directions will be given to the designer.

Related has been working on preparation of a business plan for the Civic Park, and have enlisted the services of Mary McCue, Manager of a number of public parks in Northern California. Many components to the Business Plan (i.e., Special Operation Plan and Budget, Staffing Plan and Guidelines, Pro Forma, etc) are close to completion. An Executive Summary should be complete within the next few weeks for review.

#### **80% FINAL CONSTRUCTION DOCUMENT SUBMISSION FOR PHASE 1 DEVELOPMENT SITE, PARCEL Q – MARTHA WELBORNE**

Martha Welborne, Managing Director of the Grand Avenue Committee, reported that as previously noted, the 80% Final Construction Document package was submitted on December 4, 2008. The documents were also submitted to the County in addition to the Community Redevelopment Agency (CRA). As required by the Disposition and Development Agreement (DDA), the Grand Avenue Committee has determined that the 80% Final Construction Drawings are a logical evolution of the Design Development Drawings, which were approved by this JPA on February 25, 2008.

While landscape drawings were included in the Committee's submission to the JPA, the Developer and the CRA are still resolving some landscape issues and a separate set of Landscape Plans will be presented again to the JPA and to the CRA for approval at a later date. As required, both the Developer and their Architect have submitted certifications that the construction documents are approximately 80% complete. With this submission, the Developer has met their requirement to complete documentation to the point of obtaining a contractor's bid on the project; and construction financing will be secured when the financial markets make that possible.

With the JPA's approval of these documents, the Developer is allowed to draw down the remaining amount in the Letter of Credit. The Committee recommends the JPA's approval of the 80% Final Construction Documents.

**On motion of Director Perry, seconded by Director Fujioka and unanimously carried, the JPA Board approved the 80% Final Construction Documents.**

#### **REAL PROPERTY SERVICES AGREEMENT WITH GRAND AVENUE COMMITTEE, INC. – MARTHA WELBORNE**

Martha Welborne advised that the Committee's five-year contract (Real Property Services Agreement) to serve as the JPA's staff expires on February 23, 2009.

The original contract was for a term of three years with two one-year extensions allowed. The Committee recommends a new contract, with a revised, up to date scope of work.

In response to Chairperson Molina, Ms. Welborne advised that the proposed contract cites identical terms as the previous one, with a three-year term, with two one-year extensions allowed, and a 60-day termination clause. This will allow the Committee to do the long-term planning required for future years.

Since the Committee's current approved budget extends through the end of this fiscal year, June 30, 2009, any funding request beyond that date will be presented to the JPA Board for consideration. The JPA Board can determine at the end of the Fiscal Year what staff's role will be in the new contract term.

In response to Director Estolano, Ms. Welborne reported that the Committee's current year-to-date expenditures are approximately \$350,000. The annual budget is \$740,000, including \$100,000 of in-kind support. She stated that there are sufficient funds for the remainder of the current fiscal year.

**On motion of Director Fujioka, seconded by Director Estolano and unanimously carried, the JPA Board approved the Real Property Services Agreement with Grand Avenue Committee, Inc.**

#### **DISCUSSION OF FUTURE AGENDA ITEMS, DATE OF NEXT MEETING – MARTHA WELBORNE**

Ms. Welborne reported that February 9, 2009 and February 23, 2009 have been calendared for future meetings. The Art and Landscape Plans are due on February 15, 2009, in addition to the submission of a written notice to the Authority by the Developer to extend the deadline for Commencement of Construction. February 23<sup>rd</sup> is being held on the calendar in the event that the schematic design and cost estimates for the park are ready for presentation.

Director Fujioka noted that this was Cal Hollis's last meeting, and Chairperson Molina thanked him on behalf of the JPA for his invaluable assistance given.

#### **PUBLIC COMMENT**

There was none.

#### **NOTICE OF CLOSED SESSION: CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8**

**Property:** Parcels Q, W-2, L and M-2 of the Bunker Hill Urban Renewal Project Area and the Park Parcel

**JPA Real Property Negotiator:** Grand Avenue Committee, Inc., Nelson Rising, Eli Broad, Antonia Hernandez, Gerry Hertzberg, David Riccitiello, John Edmisten, Dawn McDivitt, Greg Fischer, Martha Welborne, Paul Rutter, Thomas Webber, Richard Volpert, Ayahlushim Hammond, Cal Hollis

**Negotiating Parties:** Grand Avenue L.A., LLC

**Under Negotiation:** Price and Terms

Chairperson Molina referenced the above Notice of Closed Session items to be discussed.

The JPA Board recessed to Closed Session at 10:24 a.m.

The JPA Board reconvened the Grand Avenue Authority meeting at 11:00 a.m.

Helen Parker, County Counsel, advised that no reportable action was taken in Closed Session.

**ADJOURNMENT**

There being no further business, Chairperson Molina adjourned the meeting at 11:02 a.m.